

Message Text

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ACTION OES-07

INFO OCT-01 ARA-10 ISO-00 HA-05 SP-02 USIA-06 AID-05

EB-08 NSC-05 TRSE-00 SS-15 STR-05 OMB-01 CEA-01

CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 XMB-02

OPIC-03 LAB-04 SIL-01 IGA-02 L-03 H-01 AGRE-00

FEA-01 HEW-04 DIWY-01 CU-04 PA-01 PRS-01 /109 W

-----012773 302304Z /41

R 302158Z NOV 77

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC 8285

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E.O. 11652: N/A

TAGS: SPOP, GT

SUBJ: DEVELOPMENT AND THE PRIVATE SECTOR

REF: STATE 270245

1. BEGIN SUMMARY: PRIVATE SECTOR INITIATIVES TAKEN BEYOND THE REQUIREMENT OF LAW BY US, LOCAL OR THIRD COUNTRY CORPORATIONS PLACE EMPHASIS ON DIFFERING CATEGORIES OF EMPLOYEE BENEFITS. A DOZEN CATEGORIES ARE IDENTIFIED. AMONG THOSE WHICH POINT DIRECTLY TO BASIC HEALTH CARE AND LOWER FERTILITY, EDUCATION, NUTRITION, AND EFFORTS TO IMPROVE THE STATUS OF WOMEN, 13 COMPANIES OPERATING IN GUATEMALA HAVE BEEN SURVEYED. THE RESULTS OF THAT SURVEY IN SUMMARY FORM ARE PRESENTED BELOW. FURTHER DATA ON A WORLDWIDE BASIS MAY BE AVAILABLE FROM THE SAME SOURCE. END SUMMARY.

2. START LIMITED OFFICIAL USE. ON A PRIVILEGED BASIS, THE XEROX CORPORATION SURVEYS COMPARABLE FIRMS ANNUALLY TO OBTAIN COMPARATIVE BENEFIT INFORMATION IN ORDER TO KEEP XEROX POLICIES IN LINE WITH COMPETITION AND SOCIAL DEVELOPMENT. THE COMPANY SURVEYS INDIVIDUAL COUNTRIES, LIMITED OFFICIAL USE

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MAKES REGIONAL COMPARISONS, AND SETS ITS INTERNATIONAL POLICY THROUGH ANALYSIS OF ITS ANNUAL SURVEY. THE DEPARTMENT MAY WISH TO INCLUDE XEROX INTO THE DISCUSSION GROUP SCHEDULED FOR MID-DECEMBER AND REQUEST OF THAT COMPANY SPECIFIC ASSISTANCE IN COMPREHENSIVE DATA WORLD-WIDE.

3. XEROX HAS PROVIDED EMBASSY GUATEMALA WITH A REPORT

OF 13 CORPORATIONS OPERATING IN GUATEMALA. THESE COMPANIES AND THEIR TYPE OF BUSINESS ARE AS FOLLOWS:

A. XEROX DE GUATEMALA - COPIER/DUPPLICATOR RENTAL.

B. HISPANIA, S.A. - PAPER/STATIONARY DISTRIBUTOR AND MANUFACTURER.

C. SIBONEY - PUBLICITY.

D. PRODUCTOS ROCHE CENTROAMERICA - PHARMACEUTICAL LABORATORY.

E. AMERICAN INTERNATIONAL UNDERWRITERS - INSURANCE.

F. DISTRIBUIDORA FOTOGRAFICA, S.A. - KODAK - DISTRIBUTORS PHOTOGRAPHIC SUPPLIES.

G. PRODUCTOS ADAMA/PARKE DAVIS - CHEWING GUM/PHARMACEUTICAL LABORATORY.

H. IBM - BUSINESS MACHINES.

ESSO CENTRAL AMERICA - PETROLEUM DISTRIBUTOR.

J. NESTLE - FOOD PRODUCTS DISTRIBUTOR.

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K. EL SALTO - SUGAR PLANT AND REFINING.

L. NCR - BUSINESS MACHINES.

M. PRICE WATERHOUSE - CONSULTANTS.

CATEGORIES COVERED IN XEROX'S SURVEY ARE LIFE INSURANCE, ACCIDENTAL DEATH BENEFITS, BUSINESS TRAVEL ACCIDENT INSURANCE, MEDICAL PLAN, LONG-TERM DISABILITY PLAN, SHORT-TERM DISABILITY, PENSION AND RETIREMENT, VACATION AND HOLIDAY, SAVINGS AND COMPANY LOAN, COMPANY CARE AND MEAL SUBSIDY. A SUMMARY OF TABLES OF THIS DATA FOR GUATEMALA IN DETAIL AND A SECOND SET OF TABLES SUMMARIZING THE DATA FOR THE SIX COUNTRIES (GUATEMALA, EL SALVADOR, HONDURAS, NICARAGUA, COSTA RICA AND PANAMA) ARE BEING POUCHED.

4. REVIEWING THE MEDICAL PLAN SURVEY FOR GUATEMALA, ONLY FIVE OF THE 13 COMPANIES HAVE PROGRAMS. FOUR OF THESE FIVE INCLUDE WIFE AND CHILDREN. THE PERCENTAGE OF TYPICAL COVERAGE IS 75 PERCENT OF HOSPITAL EXPENSES, MEDICAL EXPENSES, AND SURGICAL EXPENSES. IN THE EDUCATIONAL AREA, MOST COMPANIES PROVIDE INCENTIVES FOR JOB-RELATED STUDIES

OUTSIDE OF APPRENTICE AND ON-THE-JOB TRAINING. TYPICALLY,
THE CORPORATE ASSISTANCE AMOUNTS TO 75 PERCENT OF TUITION
AT THE HIGH SCHOOL OR UNIVERSITY OR SPECIALIZED SCHOOL
LEVEL. END LOU.

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CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 XMB-02
OPIC-03 LAB-04 SIL-01 IGA-02 L-03 H-01 AGRE-00
FEA-01 HEW-04 DIWY-01 CU-04 PA-01 PRS-01 /109 W
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BEGIN UNCLASSIFIED.

5. TURNING TO A SPECIFIC CORPORATION, NESTLE, WHICH HAS
BOTH MANUFACTURING AND DISTRIBUTION ORGANIZATIONS IN
GUATEMALA, A MOST ATYPICAL CASE IS DEMONSTRATED. NESTLE
HAS DEVELOPED A HOUSING PROGRAM WHICH ASSISTS EMPLOYEES
TO OBTAIN EXCELLENT, MODERN HOUSING THROUGH A COMPANY
PROGRAM OF DESIGN AND CONSTRUCTION WHICH NONETHELESS
RESULTS IN INDIVIDUAL EMPLOYEE OWNERSHIP OF HIS OWN
MORTGAGE. ADDITIONALLY, NESTLE PROVIDES DAY CARE FOR
35 CHILDREN OF ITS OFFICE EMPLOYEES ON THE PREMISES. AT
ITS FOOD PROCESSING PLANT, NESTLE PROVIDES LOW-COST MEALS,
MEDICAL CLINIC SERVICES, A WIDE RANGE OF RECREATIONAL
OPPORTUNITIES AND A LOW MARK-UP COMPANY STORE. BOTH AT
ITS EMPLOYEES' HOUSING AND AT THE PLANT, EXEMPLARY SANI-
TATION AND HYGIENE FACILITIES ARE EMPHASIZED AND INCLUDE
AN EMPLOYEE TRAINING PROGRAM. THE COMPANY IS CURRENTLY
NEGOTIATING WITH THE MINISTRY OF EDUCATION TO CONSTRUCT
A PUBLIC SCHOOL FOR GRADE SCHOOL LEVEL CHILDREN OF
EMPLOYEES. A POSSIBLE RESULT WILL BE THAT NESTLE WILL
PAY FOR TWO-THIRDS OF CONSTRUCTION COST AND ASSIST IN THE
DESIGN AND FURNISHING OF THE SCHOOL WHICH IS TO BE
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LOCATED NEAR ITS HOUSING PROJECT, POSSIBLY ON LAND
DONATED BY THE COMPANY.

6. NESTLE GUATEMALA HAS TAKEN AN "OUT FRONT" POSITION ON EMPLOYEE BENEFITS AND SOCIAL BENEFITS. A MORE NORMAL STANCE FOR THE LARGE CORPORATIONS IS TO KEEP A LOW PROFILE SO AS TO AVOID DIFFICULTIES WITH OTHER CORPORATIONS, THE LOCAL GOVERNMENT, AND STANDARD LABOR PRACTICES. IN THE CASE OF XEROX, THE CORPORATION TAKES A DIFFERENT POSITION. XEROX SEEKS TO PROVIDE NO LESS THAN THE HIGH MEDIUM PROVIDED BY COMPANIES OF COMPATIBLE STATURE. THUS, ITS ANNUAL REQUIREMENT FOR A SURVEY. IT SHOULD BE NOTED THAT THE XEROX SELECTION OF COMPANIES IS FROM THE UPPER ECHELON OF COMPANIES OFFERING BENEFITS ABOVE THOSE REQUIRED BY LAW. THE GREAT MASS OF CORPORATIONS PROVIDE LESSER BENEFITS IN THIS UNDERDEVELOPED COUNTRY CONTEXT. NEVERTHELESS, A FEW SUCH AS THE BANANA COMPANIES AND SOME SMALL EMPLOYERS PRESENTLY AND HISTORICALLY HAVE OFFERED HIGHER OR MORE COMPREHENSIVE BENEFITS.

7. WITH RESPECT TO FAMILY PLANNING, APROFAM, THE LOCAL IPPF AFFILIATE, CONDUCTED AN ACTIVE FAMILY PLANNING INFORMATION AND REFERRAL PROGRAM IN VARIOUS FACTORIES PRIOR TO THE EARTHQUAKE. THESE ACTIVITIES WERE WELL RECEIVED BY THE BUSINESS FIRMS. AFTER THE EARTHQUAKE THE FIRMS WERE PREOCCUPIED WITH HOUSING RENEWAL AND FOOD FOR THEIR EMPLOYEES AND THESE ACTIVITIES WERE TEMPORARILY STOPPED. ONE EXCEPTION WAS AN EXPERIMENTAL PROGRAM TO ENCOURAGE MALE SURGICAL INTERVENTION IN SEVEN FIRMS. THIS PROJECT FUNDED BY PATHFINDER FUND WAS NOT TIMELY AND FOR THAT REASON WAS TERMINATED THIS PAST OCTOBER. IT DID DEMONSTRATE, HOWEVER, THAT PRIVATE FIRMS ARE RECEPTIVE TO ALLOWING WORKERS TO RECEIVE FAMILY PLAN-
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NING INSTRUCTION IN THEIR PLANTS.

8. COMMENT: THE EMBASSY VIEW WOULD INDICATE THE ADVISABILITY OF INVITING PARTICIPATION OF BOTH XEROX AND NESTLE IN DEPARTMENTAL DISCUSSIONS. THE COMPREHENSIVE BENEFITS AND UNIQUE POSITION OF FRUIT COMPANIES (STANDARD, UNITED, AND DEL MONTE) ARE NOTEWORTHY IN SEVERAL COUNTRIES AND MAY CONSTITUTE USEFUL PARTICIPATION IN THE INTERESTS OF THE DEPARTMENT.
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Message Attributes

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